



**Asia-Pacific Center for Security Studies**



**SPECIAL ASSESSMENT**

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## **Asia's Bilateral Relations**

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# **China-Japan Relations: Cooperation Amidst Antagonism**

**D E N N Y   R O Y**

## **Executive Summary**

- A thriving economic relationship binds China and Japan together, but security concerns and historical ill will may keep their relationship cool for the foreseeable future.
- Although China has recently shown a more relaxed attitude toward international involvement by the Japan Self Defense Forces (JSDF), Japan's efforts to become a "normal" military and political power suggest future friction between Tokyo and a China that aspires to regional leadership.
- Historically based grievances between the Chinese and Japanese people make it difficult for the two governments to establish a thoroughgoing rapprochement. Some of the events that trigger intensification of bilateral animosity arise spontaneously from Chinese or Japanese society and may force strong reactions from officials who would prefer to keep the relationship stable.
- The Chinese government cites Prime Minister Koizumi Junichiro's annual visits to the Yasukuni Shrine as a major obstacle to improved bilateral relations. Koizumi, however, has indicated he plans to continue visiting the shrine. These visits bolster his domestic political support.
- Both governments appear committed to deepening their economic relationship despite the perennial political difficulties.
- The close relationship with the United States complicates Japan's dealings with China. At times the need to satisfy Washington's perceived expectations of its alliance partner requires Japan to pursue policies that risk offending China and that may therefore endanger Japan's working relationship with Beijing.
- Nevertheless, the underpinnings of the U.S.-Japan security alliance remain strong. China currently expresses little opposition to the alliance except in connection with the defense of Taiwan. This is partly because Sino-U.S. relations are relatively favorable. Japan remains strongly committed to the alliance.

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Conflicting forces characterize China-Japan relations. On one hand, the economic relationship is robust and getting stronger. Each country sees the other as an important part of its own plans for economic growth. On the other hand, bilateral security relations, while stable at the moment, present the longer-term problem of possible Japanese reactions to China's continued economic and military growth and likely aspiration to the role of Asia's premier political leader. Furthermore, the two societies harbor mutual ill will stemming from historical experience. The last century has generated both Japanese pride that the country modernized ahead of China and Chinese anger at Japanese aggression.

There is potential for substantial improvement in the bilateral relationship during this decade. Beijing is exhibiting increased confidence that the People's Republic of China (PRC) can best achieve its goals through cooperation, responsibility, and constructive leadership—in other words, by working within the international system rather than against it, and by persuading other countries that China's national objectives are consistent with theirs. The manifestations of this orientation in Chinese diplomacy include Chinese leaders speaking like representatives of a great power rather than aggrieved victims, less official complaining about U.S. "hegemony," greater support for multilateralism, and an omni-directional peace offensive. With Sino-U.S. relations much improved since the beginning of the Bush administration, Chinese officials have called this a period of "strategic opportunity" in which China can concentrate on economic development within a relatively benign external environment.

Recently, subtle changes in China's approach toward Japan are consistent with this revised general orientation. China still hopes "Japan's foreign policy will come to a historic turn of 'attaching importance to China,' turning from 'following the United States.'" In more blunt language, this refers to weakening Japan's alliance with the United States and persuading Tokyo to bandwagon with China. The current emphasis, however, is on achieving this and other Chinese goals for Sino-Japan relations by emphasizing the mutual political and (especially) economic benefits of a closer relationship. Beijing's current official guideline for Sino-Japan relations is "taking history as a mirror while looking toward the future," which apparently means the way is clear for improved bilateral relations if Japan will make the modest concession of avoiding behavior that offends Chinese sensibilities. China took note of the outpouring of guilt fatigue in Japan after then-President Jiang Zemin scolded his hosts about the history issue during a visit to Japan in 1998 and has eased off slightly on the remilitarism issue. Reaction from the Chinese Ministry of Foreign Affairs (MOFA) to Tokyo's decision to deploy military personnel to Iraq was mild compared to past instances of increased activity by the JSDF. Recent statements by Chinese leaders have said the Japanese people were among the victims of Japan's fascist government of the Pacific War era.

In an ironic coincidence, China's willingness to entertain the possibility of laying aside its Pacific War grudge in the interest of improving bilateral relations comes at the very time Tokyo is pushing for serious and permanent steps toward making Japan a "normal" military power. Tokyo has made clear its desire for a permanent seat on the United Nations (UN) Security Council. The Japanese military is increasingly active beyond Japan's borders. Japan sent naval vessels to the Indian Ocean beginning in late 2001 to help support U.S. forces engaged in combat in Afghanistan. In early 2004 Japan began sending a contingent of several hundred soldiers to Iraq to participate in "reconstruction and humanitarian aid." Japan's armed forces do not operate independently overseas and are authorized only to accept ostensibly noncombat

assignments, but Japan is now a regular contributor to UN peacekeeping efforts. There is broad support in Japanese politics for a review of Article 9 of the Japanese constitution, which literally forbids Japan from maintaining armed forces and abrogates “the right of belligerency of the state.” It is highly likely that, at a minimum, Japan’s leaders will secure a reinterpretation of Article 9 to lift a self-imposed ban on Japan’s participation in “collective self-defense.” Such a step, the proponents of which include Koizumi, would strengthen the U.S.-Japan alliance by allowing Japanese forces to fight alongside U.S. forces in a conflict that did not directly threaten Japan, or help defend U.S. forces in the region if they came under attack. Koizumi has also pushed for recognition of the euphemistically titled JSDF as a regular national military, which would constitute a psychological breakaway from Article 9’s stipulation that “land, sea, and air forces, as well as other war potential, will never be maintained.”

## SECURITY RELATIONS

**T**he Chinese and Japanese governments view each other as possible future military rivals, and each sees threatening trends and behavior in the other. China fears and opposes both the removal of postwar restrictions on the Japanese armed forces and any inroads by “militarist” attitudes in Japanese government or society. Beijing has protested each significant increase in the funding, capabilities, and activities of the JSDF. The Chinese have also argued for decades that Japan is vulnerable to a revival of an assertive, military-oriented foreign policy reminiscent of the Pacific War era because the Japanese people have yet to take full responsibility for their aggressions and atrocities against the Chinese and other Asians during the last century. Beijing is therefore highly sensitive to news from Japan that seems to confirm Chinese suspicions of latent Japanese militarism, including the “sanitization” of Japanese history textbooks, the denial of Japanese wartime misbehavior by prominent Japanese right-wingers, the refusal of Japanese courts to award compensation to Chinese plaintiffs who suffered harm during the war, and visits by the Japanese prime minister to the Yasukuni Shrine, which honors all deceased Japanese military, including those who perpetrated war crimes against Chinese.

Similarly, Japan worries about China’s growing military power and how China intends to use it. Tokyo expresses official concern about the steady growth of Chinese defense spending, which has risen by at least 10 percent a year for the last decade. Japan also complains about the encroachment of Chinese ships into the waters within Japan’s exclusive economic zone without the required prior notification. After eight such incursions in 2003, Japanese officials reported eleven more in the first three months of 2004. These Chinese ships are presumably searching for exploitable ocean resources or mapping the seabed to create charts for use by Chinese submarines.

## ECONOMIC RELATIONS

**B**ilateral trade is increasing rapidly, and may reach US\$130 billion annually by 2005. Japan now buys more from China than from the United States. Both governments appear to agree that since mutual economic benefit is the most salient aspect of the bilateral relationship, it should not be sacrificed to security concerns or political disputes. Koizumi has repeatedly said he sees a growing China “not as a threat, but rather as an opportunity for

Japan.” In a similar vein, the Chinese MOFA in early 2004 noted that despite several specific problems in the relationship, “the mainstream of China-Japan relations remains good and bilateral exchanges in various fields have scored tremendous achievements.”

If the sense exists that “China’s rise” is clouding the economic relationship, this may be most visible in the area of Japanese economic aid to China. Some Japanese commentators argue that the time has come to consider halting Japanese economic assistance for both economic and political reasons. The economic reason is that China is no longer a poor, struggling country. China has not only become one of the world’s largest economies, it also doles out economic aid of its own to buy influence and favor with foreign governments. The political reason is that Tokyo’s largesse is not preventing what the Japanese consider to be “bad Chinese behavior.” For more than a decade Beijing has increased its military spending at a rate exceeding China’s economic growth while disregarding complaints from Tokyo. The Japanese government’s revised Official Development Assistance (ODA) guidelines of 2003 stipulated that aid might be jeopardized if a potential recipient demonstrated excessive military spending or produced weapons of mass destruction. Additional reasons are Japanese displeasure with Chinese ship incursions in territorial water and continued Chinese challenges to Japanese administration of the Senkaku/Diaoyutai Islands. Chinese Foreign Ministry spokesman Kong Quan recently called Japanese loans “a symbol of Japanese friendly policy toward China” that “play an active role in promoting Sino-Japanese ties on the basis of equality and mutual benefit.” Kong warned Tokyo against linking loans with the perceived “China threat.”

Nevertheless, Japan’s Foreign Ministry announced in March 2004 that it would reduce the annual amount loaned to China to 96.7 billion yen (US\$872 million), a decrease of 20 percent. This marked the third consecutive year Japan made cuts to the loans, and the first time in fourteen years the amount dropped below 100 billion yen. Formerly the top recipient of Japanese loans, China now ranks third behind India and Indonesia.

## KOIZUMI FINDS NO PEACE IN SHRINE VISITS

Koizumi’s visits to the Yasukuni Shrine have become a major political irritant in the Japan-China relationship. To put additional pressure on Koizumi to cease the visits, Chinese leaders have emphasized that in order for Sino-Japan relations to progress, high-level bilateral meetings are necessary, and Koizumi will not be welcome in China until he stops going to Yasukuni. But Koizumi visited the shrine again in January 2004, his fourth visit since becoming prime minister in 2001, and suggested he would continue this practice annually. The visits help Koizumi maintain the domestic political support of the right wing of the Liberal Democratic Party. Koizumi maintains that he goes to Yasukuni to pray for peace and that “no country interferes in other countries’ respect for history and tradition.” China will have none of this. Vice-President Zeng Qinghong, among other high-level Chinese leaders, said Koizumi’s January 2004 visit “seriously hurt the feelings of the Chinese people...and undermined the political basis of Sino-Japanese relations.” Premier Wen Jiabao said “the fact that some leaders of Japan have been repeatedly visiting the Yasukuni Shrine” is the source of “the main problems in China-Japan relations” (i.e., more serious than expansion of Japan’s military or Japanese support for Taiwan). Significantly, however, the Chinese are not holding a deepening of Sino-Japanese economic ties hostage to the Yasukuni issue. An April 2004 *People’s Daily* editorial, for example, asserted, “the development of Sino-Japanese relations is a historical tide independent of the will of some individual leaders such as Koizumi. It is a historical trend of objective necessity.”

## RECENT OUTBURSTS OF ANTI-JAPAN SENTIMENT IN CHINA

The societies of China and Japan have a persistent undercurrent of strong, largely negative feelings toward each other. Japanese generally feel respect for the accomplishments of ancient China but believe that Japan has far outclassed China in modern times. They understand that China has a strong sense of victimization by Pacific War-era Japan, but they are increasingly tired of China “playing the history card” to gain concessions from Japan, especially given China’s progress in economic development. For their part, Chinese see their country as the natural leader of the region based on its size and the historical preeminence of Chinese civilization. They bristle at perceived Japanese disrespect for China and insufficient penitence for Japan’s past sins. Most Chinese are clearly not ready to accept Japan as a “normal” country. Circumstances periodically raise the intensity of public sentiment about the relationship in one or both countries, sometimes generating unwelcome pressure on the national leadership.

Along with Koizumi’s war shrine visits, several recent and apparently unpremeditated incidents revealed, and perhaps deepened, the reservoir of antipathy toward Japan in Chinese society, while at the same time reaffirming among Japanese observers a sense that Chinese are excessively hostile.

In August 2003, construction workers in the city of Qiqihar in Heilongjiang Province unearthed canisters of mustard gas buried during the Pacific War by the Japanese army. Leaks from the canisters killed one person and injured forty others. This led to an outpouring of Chinese anger over the suffering inflicted on China’s people by Imperial Japan. A group of Chinese activists collected a million signatures on a petition demanding Japanese compensation and delivered the petition to the Japanese Embassy in Beijing in September. Chief Cabinet Secretary Fukuda Yasuo raised the familiar objection that the issue of Japanese compensation to China based on Pacific War misdeeds was closed. It took over two months for Tokyo and Beijing to agree on a settlement payout, during which time Japan’s image among the Chinese public deteriorated further.

In September 2003, Chinese media reported police were investigating an incident involving Japanese tourists. Some 380 visiting Japanese businessmen, employees of a construction company based in Osaka, reportedly engaged in a three-day orgy with several hundred Chinese prostitutes in a luxury hotel in Zhuhai. The episode coincided with the anniversary of the 1931 Mukden Incident, which Japan manufactured as a pretext to extend and consolidate its control of the Northeastern Chinese territory of Manchuria. Historically, the Mukden Incident marks the beginning of the Pacific War, which ushered in a period of Chinese suffering, losses, and destruction due to the Japanese invasion. The Zhuhai orgy drew widespread public attention and provoked strong anti-Japanese sentiment in China. A Foreign Ministry official said the “odious” incident “harmed the feelings of Chinese people and also seriously harmed Japan’s international image.”

Another incident soon followed. At the end of October, four Japanese exchange students and a Japanese professor participating in a cultural festival at Northwest China University in Xian performed a ribald dance while wearing red brassieres over their T-shirts and fake paper genitalia. The Chinese spectators deemed the act obscene and humiliating. Chinese students assaulted two Japanese students in their dormitory, prompting Chinese police to move all the foreign students out of the dormitory and into a hotel. As many as 1,000 Chinese students protested on the campus and then marched downtown. The Chinese MOFA called in a Japanese embassy official to protest, and the students composed a public apology.

In December 2003, Japanese auto maker Toyota apologized for and discontinued two advertisements that drew heated complaints after appearing in the Chinese magazine *Auto*



*Fan*. The first ad, which was for the Toyota Prado (unfortunately transliterated in Chinese as “Badao,” which means “domineering”), depicted two traditional Chinese carved-stone lions bowing and saluting a passing Prado, with a caption reading, “You cannot but respect Badao.” Not only are the stone lions a common symbol of China, but some Chinese saw an allusion to the lions at the entrance of the Marco Polo Bridge, the site where Japan launched its invasion of China proper in 1937. The other ad showed a Toyota Land Cruiser towing a broken-down Chinese military truck through mountainous country. The reaction of Chinese readers demonstrated their sensitivity to intimations of Japanese superiority and the rawness of Pacific War wounds inflicted almost sixty years ago.

## ANOTHER FLARE-UP OVER THE DISPUTED ISLANDS

The unresolved issue of the Senkaku/Diaoyutai Islands, which both Japan and China claim to own, periodically causes a minor crisis in Sino-Japan relations. Typically the flare-up is triggered by ostensibly private activists, whose actions force both governments to reassert their conflicting claims. Chinese activists made four attempts in 2003 and early 2004 at a symbolic landing on the islands, which lie in the East China Sea roughly halfway between Okinawa and the Chinese coastal city of Fuzhou. In March 2004, seven Chinese activists successfully reached Uotsuri Island. Japanese police flew in from Okinawa by helicopter and arrested the activists for violation of Japanese immigration laws—the first time Japan had arrested Chinese nationals in the disputed territory. Koizumi said of the arrest, “It was unusual, but it is natural for Japan, a law-governed state, to handle them according to our law.” Japanese officials expressed hope the incident would not harm Sino-Japanese relations. Chinese Foreign Ministry spokesman Kong Quan, however, said of the detention of the activists, “We think this is an illegal action which breaks international law, and moreover it is a serious provocation against China's sovereignty and territory and Chinese citizens' human rights.” Chinese protesters tore up and burned Japanese flags in front of the Japanese Embassy in Beijing. From Japan's standpoint, Tokyo made a concession in deporting the activists back to China rather than prosecuting them as criminals in Japan, concession for which the Chinese seemed unappreciative.

The Japanese government angered China by leasing three of the islands from a private Japanese citizen in April 2002. In April 2004, the lease was extended. China expressed its displeasure through the withdrawal of Vice Foreign Minister Wang Yi from a planned meeting with Japanese ambassador Koreshige Anami in Beijing.

In April 2004, the Chinese government apparently squelched another planned excursion to the islands by the same group, the China Federation for Defending Diaoyu Islands, which organized the successful landing the previous month. This indicates a desire to contain the damage to bilateral relations, consistent with past Senkaku/Diaoyutai incidents. Nevertheless, after the spate of events in 2003 and early 2004 that fanned anti-Japanese sentiment in China, Beijing risked a public nationalist backlash if it failed to strongly condemn the arrests of the activists, whom many Chinese view as heroic patriots.

## THE TAIWAN ISSUE: A POTENTIAL SPOILER

The Senkaku/Diaoyutai Islands question appears manageable, but the Taiwan question might not be. In the medium term, China's largest single Japan-related strategic concern is the possibility of Japanese participation in the defense of Taiwan against the People's Liberation Army should China decide to use military force to prevent Taiwan independence. China has vigilantly monitored Japan's policy for indications, either explicit or implicit, of Japanese support for the Taipei government. Beijing maintains that Japan's avowal of the One China policy should preclude such support. Taiwan has significant support among Japanese elites. About one third of Diet members have reportedly visited Taiwan during the last three years. Consequently, Japan occasionally makes gestures supportive of Taiwan that draw Chinese condemnation. At the end of 2003, for example, Mori Yoshiro became the second former Japanese prime minister to visit Taiwan. Chinese Foreign Ministry spokesman Liu Jianchao expressed Beijing's "deep regret and strong dissatisfaction." But Tokyo balances such gestures with mollifying policies such the December 2003 visit of the Japanese quasi-ambassador to Taiwan to a top Taiwan presidential aide to express Japan's disapproval of the March 2004 referenda in Taiwan. Beijing had decried the referenda as a step toward Taiwan independence.

While the Chinese have not made it a front-burner issue in recent months, Japanese support for Taiwan has the potential to ruin even the successful aspects of the bilateral relationship, especially economic ties. The Japanese defense bureaucracy expects that Japan would at a minimum allow the U.S. military to operate out of its bases in the event of a Sino-U.S. clash over Taiwan. Many in the Japan Defense Agency would also favor stronger support, such as providing logistical assistance to U.S. forces or even Japanese units participating in combat, in order to preserve the U.S.-Japan alliance. In this case, a war in the Taiwan Strait would be as disastrous for Sino-Japan relations as for Sino-U.S. relations.

## CONCLUSION

The impact of the U.S.-Japan alliance on Sino-Japanese relations is complex. The value Tokyo places on the alliance has required Japan to maintain a balancing act, attempting to satisfy the United States that Japan is a worthy partner while simultaneously preserving stable relations with China. This is relatively easy in periods when China does not see its core interests directly threatened by U.S. policies in Asia, but harder when U.S.-China relations are poor. Policy coordination with the United States occasionally forces Japan to take steps that offend China. It does not necessarily follow, however, that a more independent Japan would have better relations with China. As a U.S. ally, Japan (and especially a militarily invigorated Japan) can help uphold a U.S.-sponsored agenda that does not necessarily honor China's preferences particularly on the issue of Taiwan. Removal of the alliance and its assurance of U.S. protection could impel Japan to



bandwagon with China, the ideal scenario from China's standpoint. But it might alternatively stimulate full Japanese rearmament, including the deployment of nuclear weapons and a more assertive Japanese foreign policy. For Beijing this outcome would be far worse than the status quo. Thus the Chinese are generally ambivalent about the U.S.-Japan alliance. The mainstream Chinese view is that although they oppose in principle "Cold War-era" alliances and U.S. military bases in Asia, they can tolerate the U.S.-Japan alliance to the extent it is not employed in ways that threaten Chinese interests.

Presently, the environment is favorable to a continuation of the U.S.-Japan alliance. In recent months, Chinese strategic analysts have taken the position that they are not opposed to the alliance as long as it does not interfere with the PRC's efforts to bring about unification with Taiwan. For its part, Japan continues to see the alliance as its best possible security strategy and remains committed to keeping it healthy. This goes a long way in explaining why Koizumi's government opted to send Japanese troops to Iraq despite the initially heavy opposition to this policy among the Japanese public.

While taking care to maintain the American commitment to the U.S.-Japan alliance, the Japanese government has gone to considerable lengths to maintain a stable and constructive relationship with China, seeing this as an important Japanese interest. Nevertheless, in what may be at least partly indicative of a generational shift in Japan, the Koizumi government has shown a greater willingness than some of its predecessors to risk offending Beijing. China is presently relatively tolerant of the modest increase in Japanese assertiveness, which appears less threatening in the current climate of favorable Sino-U.S. relations. Moreover, the burgeoning bilateral economic relationship provides a stabilizing bond. But for the foreseeable future, the relationship will remain a contest between cooperation and antagonism.